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inter-tech
RESOURCES LTD.
1770 - 777 HORNBY
VANCOUVER 1, B.C.


Mr. Ian Carman
The Globe & Mail
140 King Street, West
Toronto, Ontario
PR



inter-tech
RESOURCES LTD.

INTERIM REPORT TO SHAREHOLDERS

six months
ended June 30, 1972

 GAMMA - INDUCTION LOG 2" = 100'		COMPANY INTER-TECH RESOURCES INCORPORATED	
		WELL U - 168 No. 1	
FIELD SALT LAKE		COUNTY LOS ANGELES STATE CALIF.	
Location		N.A.	
Sec. N.A. Twp. N.A. Rge. N.A.		Other Services: NONE	
Permanent Datum M.A.T. Elev. 196.0'		Elev.: K.B. 210.0'	
Log Measured From K.B. OR 14.0' Above Perm. Datum		D.F. ---	
Drilling Measured From K.B.		G.L. 196.0'	
Date	3-15-72	3-22-72	
Run No.	ONE	TWO	
Depth-Driller	3427'	4722'	
Depth-Welex	3256'	4714'	
Btm. Log Inter.	3250'	4709'	
Top Log Inter.	440'	2280'	
Casing-Driller	103/4 450'	7" @ 3420'	@
Casing-Welex	452'	3418'	@
Bit Size	9 7/8 X 6	7/4 @ 3210'	
Type Fluid in Hole	CLAY BASE	OIL BASE	
Dens. & Visc.	77 143	67 147	
pH & Fluid Loss	9.8 1.8 ml	N.A. 1 N.A. ml	
Source of Sample	FLOW LINE	N.A. N.A.	
R ₁₀ @ Meas. Temp.	2.92 @ 86°F	N.A. @ N.A.°F	@ °F @ °F
R ₁₀₀ @ Meas. Temp.	0.64 @ 60°F	N.A. @ N.A.°F	@ °F @ °F
R ₁₀₀₀ @ Meas. Temp.	3.40 @ 60°F	N.A. @ N.A.°F	@ °F @ °F
Source R ₁₀ , R ₁₀₀	MEAS/MEAS	N.A. N.A.	
R ₁₀ @ BHT	2.20 @ 117°F	N.A. @ N.A.°F	@ °F @ °F
Time Since Circ.	1 1/2 HOURS	N.A. @ N.A.	
Max. Rec. Temp.	117°F @ BHT	N.A. @ N.A.	@ °F @ °F
Equip. & Location	9018 S.F.S. 9018 S.F.S.		
Recorded By	MR. HOLYFINGER		
Witnessed By	MR. KELLOGG MR. FAUNTLEROY		



Electronic Portrait of U-168-1 Completed by Inter-Tech in April

To our Shareholders:

On behalf of the Board of Directors I wish to present your company's financial reports for the six months ending June 30, 1972 and bring you up to date on our activities.

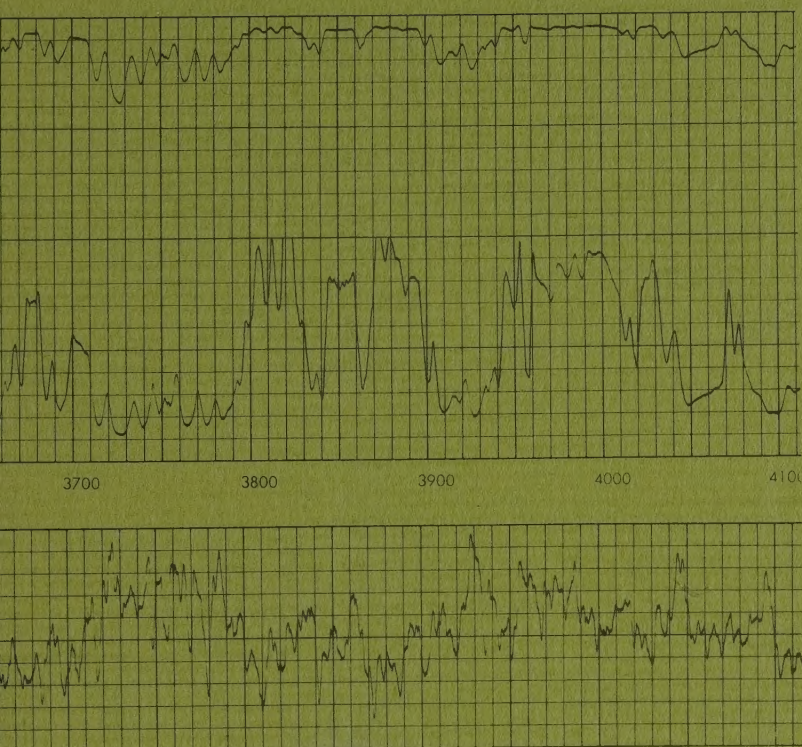
Salt Lake Field, Los Angeles

Progress continues on the current programme to drill four wells in the easterly and northerly extensions of your company's original drilling district in the Salt Lake Field.

At the annual meeting in June we were able to announce that our remarkable run of successes had continued with the completion of U-168-1 and U-168-2 in the easterly extension of the field. U-168-2 tested at 137 barrels of oil per day . . . the eighth productive well in our Los Angeles drilling site in as many tries. Now I can add that our efforts to establish one

well in the 46-acre northerly extension are completed. The well, U-169-2 was completed at a depth of 4,010 feet with a total of 60 feet of productive horizons in the D and E zones — the C interval being absent due to faulting. Flow from the two zones tested at 50 barrels and it is planned to redirect this well to intercept all horizons. Our drilling rig has already moved to U-168-3 and at the time of writing the well has been drilled to 4,350 feet and preparations are being made for testing.

I am also pleased to announce that your company has filed application with the City of Los Angeles officials for the establishment of another drilling district, based on 70 acres of the 550 acres obtained under a farmout arrangement with Gulf Oil Company and Aladdin Oil Company. The proposed district is to the east



his year.

of our drill site near Farmers Market, and it is our intention to conduct a 5,000 foot test in the block to establish a south-easterly extension of existing productive horizons and to test a projected new structure thought to hold promise for production from deeper zones.

Montana

Arrangements have now been completed which will see Inter-Tech a partner in a programme to test drill 70 gas wells in the Bearpaw Arch area 80 miles south of the Alberta-Saskatchewan border. The programme is designed to explore some 375,000 acres of gas leases, and drilling of the first wells is now under way.

Respectfully submitted,

Morton A. Sterling

President

inter-tech

RESOURCES LTD.

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS FOR THE SIX MONTHS ENDED JUNE 30, 1972 AND 1971

	1972	1971
REVENUE		
Oil and gas income	\$ 91,515.00	\$ 34,259.00
Drilling operations	19,577.00	124,454.00
Interest	6,931.00	
Total Revenue	<u>\$118,023.00</u>	<u>\$158,713.00</u>
OPERATING EXPENSES	<u>72,955.00</u>	<u>3,257.00</u>
	\$ 45,068.00	\$155,456.00
ADMINISTRATIVE AND GENERAL	<u>72,525.00</u>	<u>70,006.00</u>
NET INCOME (LOSS)	<u>(\$ 27,457.00)</u>	<u>\$ 85,450.00</u>

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS - FOR THE SIX MONTHS ENDED JUNE 30, 1972 AND 1971

	1972	1971
SOURCE OF FUNDS		
Operating Profit		\$ 85,450.00
Non-cash adjustments		<u>4,004.00</u>
		\$ 89,454.00
Issuance of shares for retirement of current maturities	\$ 17,500.00	
Issuance of shares for purchase of oil and gas interests		78,750.00
Disposition of fixed assets		1,553.00
Increases in long term debt	<u>5,693.00</u>	<u>18,952.00</u>
FUNDS PROVIDED	<u>\$ 23,193.00</u>	<u>\$188,709.00</u>
APPLICATION OF FUNDS		
Operating loss	\$ 27,457.00	
Non-cash adjustments	<u>23,444.00</u>	
	\$ 4,013.00	
Additions to oil and gas and mining interests	<u>\$106,245.00</u>	<u>\$117,361.00</u>
Purchase of fixed assets	<u>552.00</u>	
FUNDS APPLIED	<u>\$110,810.00</u>	<u>\$117,361.00</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>(\$ 87,617.00)</u>	<u>\$ 71,348.00</u>
Working Capital (Deficiency) at Beginning of Period	<u>(\$ 98,413.00)</u>	<u>(\$ 71,207.00)</u>
Working Capital (Deficiency) at end of Period	<u>(\$186,030.00)</u>	<u>\$ 141.00</u>

PREPARED WITHOUT AUDIT

NOTE: These statements include the accounts of the Company and all of its subsidiaries — Inter-Tech Resources, Inc.; Inter-Tech Beryllium Mines Inc.; Inter-Tech Resources (Australia) Ltd.; and Intra-Calif Resources, Inc.